



RAILROAD COMMISSION OF TEXAS

SURFACE MINING AND RECLAMATION DIVISION

August 4, 2009

Mr. Josh Leftwich
Environmental Manager
Uranium Energy Corporation (UEC)
400 Mann Street, Suite 900
Corpus Christi, Texas 78401

RE: Weesatche Project, Goliad County
Uranium Exploration Permit No. 123C
Inspection Report

Dear Mr. Leftwich:

Enclosed is a copy of the report for the inspection completed on July 30, 2009, at UEC's Weesatche Project, Goliad County.

If you have any questions, please contact me at (512) 305-8813.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Schlingen".

Mark Schlingen, Manager
Inspection and Enforcement

MS/sdj
Enclosure



RAILROAD COMMISSION OF TEXAS SURFACE MINING AND RECLAMATION DIVISION URANIUM EXPLORATION INSPECTION REPORT

Project Name: Weesatche Permit Number: 123C
 Permittee: UEC County: Goliad
 Industry Representative(s) Present: James Gale
 Inspector: Steve Meadows Date of Inspection: July 30, 2009

I. Field Conditions and Data Collection

Samples Collected: No ☒ Yes ☐ Sample Type: Water ☐ Soil ☐ Vegetation ☐
 Average Temperature 90 Soil Condition Dry Date Last Rainfall N/A Wind Direction/
 Velocity (Est.) Calm
 Photographs Attached: No ☐ Yes ☒ (Complete Section IV)

II. Enforcement Action Taken

Notice of Violation Issued: No ☒ Yes ☐ NOV No. _____
 Cessation Order Issued: No ☒ Yes ☐ CO No. _____



Steve Meadows

08/03/2009

Inspector Signature

Date

Mark Delinger 8/4/2009

Reviewing Supervisor Signature

Date

The Railroad Commission of Texas complies with Federal and State laws applicable to race, religion, national origin, sex, and disability. Information is available upon request by calling (512) 463-7288 or 1-800-735-2989 if special assistance is required.

Project Name: Weesatche
Permit Number: 123C
Inspection Date: July 30, 2009

III. Comments – Inspection Narrative

- *Document the area of the permit inspected*
- *Discuss observations made during the inspection*
- *Document the results of any field tests taken*
- *Provide a summary of any discussions with industry representatives, along with results, and expectations from those discussions*
- *Describe any enforcement action taken during the inspection, along with facts or evidence supporting the enforcement action*

There is no current drilling activity at UEC Permit No. 123C and none is planned in the near term. The subsided mud pit located on 6-25-09 on the Braquet section of the exploration permit has been repaired as documented in Photos 1-3.

The relatively remote and obscure leased property comprising Lease #33103 was previously inspected on 9-17-08, at which time further site restoration was required. Only 3 exploration boreholes were drilled on this property, which has not been re-visited since the initial inspection. During this inspection, I re-checked the site restoration as documented in Photos 4-6. No subsidence or evidence of cuttings on the surface was noted and if not for the persistent drought conditions inhibiting re-vegetation, the locations would have been difficult to locate without the aid of GPS equipment. Future inspections will focus on site restoration follow-up in other areas of the exploration permit.

Project Name: Driscoll
Permit Number: 140
Inspection Date: July 29, 2009

VI. Photographs



Photo 1: Site restoration at borehole LG-34 STMV Permit No. 140.



Photo 2: In progress site restoration at borehole LG-31.

Project Name: Driscoll
Permit Number: 140
Inspection Date: July 29, 2009

VI. Photographs



Photo 3: Borehole LG-26.



Photo 4: Borehole LG-40.

Project Name: Driscoll
Permit Number: 140
Inspection Date: July 29, 2009

VI. Photographs



Photo 5: Site restoration at borehole LG-21



Photo 6: Drilling location of LG-42 with final restoration incomplete.

Project Name: Driscoll
Permit Number: 140
Inspection Date: July 29, 2009

VI. Photographs



Photo 7: Drilling location of LG-41 with site restoration essentially complete.



Photo 8: Boreholes LG-23, LG-24 and LG-25.

Project Name: Driscoll
Permit Number: 140
Inspection Date: July 29, 2009

VI. Photographs



Photo 9: Boreholes LG-35 and LG-35A.



Photo 10: Borehole LG-37.